

Tuesday, December 5th, 1905.

The Board of Public Works of the State of Maryland met, this day, in Room 703 of the Fidelity Building, Baltimore at 11.20 a.

m. Present: Governor Warfield, Comptroller Atkinson, and Treasurer Vandiver.

In accordance with an arrangement previously made, Mr. Phillips, President of the Baltimore Oysters Packers Association, and Mr. W. H. Killian, Secretary of the same organization, appeared before the Board to meet Commander Howard of the State Fishery Force in a conference for the better enforcement of the oyster cull law. Captain Howard's presence being required at Crisfield, in view of the serious disturbance there, he was unable to be present, and the Governor explained his absence to the visiting delegation.

Mr. Phillips and Mr. Killian stated, as representatives of the Baltimore Oyster Packers Association, that they had no complaint to make against any individual official, and that they considered Captain Howard a most capable Commander. All they wish is that the oyster cull law shall be rigidly enforced and that all oysters shall be culled where taken.

The conference closed with an agreement between the Board and Messrs. Phillips and Killian, that the organization represented by the latter gentlemen would endeavor to keep in close touch with Captain Howard, and so secure the better safeguarding of the oyster beds against the loss of the young oysters which are now dredged up indiscriminately with the larger ones and not culled where taken.

The Board then went into executive session and took up the matter of the appointment of captains of the local boats for the following localities:

Local Boat, Herring Bay, Anne Arundel County,

" " Tred-Avon River, Talbot County,

" " Manokin River, Somerset County,

" " Choptank River, Dorchester County,

" " Chester River, Kent and Queen Anne's County,

" " Pocomoke Sound, Somerset County.

On motion of the Treasurer, seconded by the Comptroller, it was,

"Resolved, That the Board appoint the following persons nom-

inated by Commander Howard, as Captains of the local oyster boats for the localities named below; their appointment to date from November 1st, with the exception of Solomon T. Bradshaw of Somerset County, whose appointment dates from October 1st."

James L. Dougherty, Local Boat, Herring Bay, Anne Arundel Co.,
John F. Gibson, Local Boat, Tred-Avon River, Talbot County,
Solomon T. Bradshaw, Local Boat, Manokin River, Somerset Co.,
William W. Flowers, Local Boat, Choptank River, Dorchester Co.,
Henry C. Gardner, Local Boat, Chester River, Kent & Queen

Anne's County,

John C. Wilson, Local Boat, Pocomoke Sound, Somerset County,

The following request from the Chesapeake and Potomac Telephone Company to run a lead cable through the State conduit, between the State Buildings at Annapolis, was submitted;

Baltimore, Md., December 1st, 1905.

To the Honorable

Board of Public Works,

Annapolis, Maryland.

Gentlemen:

On behalf of this Company, I respectfully apply for permission to run a lead cable in the government tunnel connecting the State Buildings in Annapolis. This, in order to take down all our overhead wires and furnish telephone service to the various State offices.

The work will be done in a careful manner, and has the approval of contractors G. W. Walter & Company and Inspector of Buildings Sullivan.

Blue print attached shows proposed work.

Thanking your honorable Board in advance, I beg to remain,

Yours truly,

W. A. Tower, Division Superintendent.

December 5th, 1905.

Mr. W. A. Tower,

Division Supt., C. & P. Telephone Co.,

Baltimore, Maryland.

Dear Sir:

In reply to your letter of the 1st, inst., I beg to advise you that the Board of Public Works at a special meeting held, this

day, in Baltimore, took action upon the matter referred to therein, and passed a resolution authorizing me, as Secretary of the Board, to notify you that your request for permission to run a lead cable in the government tunnel connecting the State Buildings in Annapolis to furnish telephone service to the various State offices has been acceded to by the Board.

Yours truly,

Oswald Tilghman,

Secretary Board of Public Works.

On motion of the Treasurer, seconded by the Comptroller, it was

"Resolved, That the request be granted, and the Secretary of the Board was instructed to so notify the Chesapeake and Potomac Telephone Company."

Mr. W. H. May, Secretary to Senator Gorman presented to the Board the following communication from the Honorable A. F. Corman and General L. Victor Baughman, Directors on the part of the State in the Baltimore and Ohio Railroad Company.

December 2nd, 1905.

Board of Public Works,

State of Maryland.

Gentlemen:

Your honorable body having appointed us directors in the Baltimore and Ohio Railroad Company, we deem it our duty to present for your consideration and action the following statement relative to the Washington Branch Road:

(1). The State of Maryland holds 5500 shares of the stock of the Washington Branch Road. The par value is \$100, making the face value of the amount owned by the State ----- \$550,000

(2). The Road begins at the junction of the main stem at the Relay House, and extends to and within the City of Washington, District of Columbia. By the Act of Congress approved May, 9th, 1828, and by sundry other subsequent Acts of Congress and ordinances of the Mayor and City Council of Washington, it has acquired by grants, purchase and condemnation, rights of way and properties for terminal facilities in said City of Washington.

(3) All the terminal facilities owned by the Baltimore and Ohio Railroad Company in the City of Washington are owned by the Washington Branch, save and except a short line of track and a

freight yard, which were acquired by the B. & O. for the accommodation of its Metropolitan Branch.

(4) The Washington Branch, for many years, earned and paid annually, a dividend of ten per cent to the stockholders, the State receiving \$55,000 per annum. In 1897, the Company suspended dividend payment, notwithstanding its net earnings were sufficient to have paid the usual dividend.

(5) The reason assigned for the failure to pay dividends was that large expenditures would be required in order to provide new terminal facilities in the City of Washington, and, as the Company was prohibited from mortgaging the road, in no other way could accumulations for that purpose be secured.

(6) The Attorney General of the State of Maryland, by your direction, brought suit to compel the payment of dividends, but, so far as we are informed, the matter has never come to an issue in the Courts.

(7) In the meantime, the Congress of the United States, by an Act approved February 12, 1901, authorized and required the Baltimore and Ohio Railroad Company to abandon its present depot site, requiring it to construct and maintain other terminals in the City of Washington, and to abandon certain streets and properties acquired prior thereto.

¶ Special note must be taken of the fact that at the date of the passage of said Act, all the terminal facilities and all the property and rights of way in the City of Washington were owned by the Washington Branch, save and except the small amount of property owned by the B. & O. or its Metropolitan Branch.

(8) The eighth Section of the Act of Congress above referred to provided, in substance, that, in consideration of the surrender by the Baltimore and Ohio Railroad Company of its rights under the several acts of Congress and under its contract with the municipal authorities of the City of Washington, and in consideration of the large expenditures for the construction of the new terminals and of the grant and conveyance to the United States in fee of the lands included within the limits of the road way and right of way of the Washington Branch, the United States appropriated the sum of \$1,500,000 to be paid to the said Railroad Company upon the completion of the said new terminals.

(9) Subsequently, by an Act approved February 28, 1903, Congress made provision for and required the construction of a

union railway station in the City of Washington (its approaches to be by tunnel and elevated tracks) for the accomodation of the Pennsylvania Railroad system, the Baltimore & Ohio Railroad and all other railroads authorized, or that might hereafter be authorized to enter the City of Washington. Said Act further authorized the formation of a terminal company to construct the same.

(10) The terminal company was organized, and its stock was subscribed for and is owned, one half by the Pennsylvania Railroad Company and one half by the Baltimore and Ohio Railroad Company thus excluding the Washington Branch from any participation in said organization.

(11) We regard this action on the part of the Baltimore & Ohio Railroad Company as not only unjust, but clearly in violation of the spirit, if not the letter, of the Act of Congress. We have no question that the State can institute proceedings, which will recover through the Washington Branch its just proportion in a project which is of immense value.

(12) By reference to the Act of Congress it will be observed that the grant to this terminal company is the exclusive right, in perpetuity, of a very large amount of land embraced in the streets and reservations to be closed, and, in addition, is intended and required to accommodate entering the City of Washington on such terms as may be agreed upon or determined by the Courts.

(13) To exclude the Washington Branch Road, which owned all the depot facilities heretofore used by the Baltimore and Ohio Railroad Company from participating in this most profitable investment, and thus terminating its tracks outside of the City of Washington, is an arbitrary, unjust, if not illegal, proceeding.

(14) In relation to this matter, we respectfully submit correspondence between A. P. Gorman and Oscar G. Murray, President of the Baltimore and Ohio Railroad Company, marked Exhibits "A", "B", "C", and the protest of A. P. Gorman, to the Board of Directors, marked Exhibit "D".

From these exhibits, it appears that the total estimated cost of the new terminal facilities is ----- \$18,411,523.00.

To provide for which, bonds were assued as follows:

Guaranteed by the Pennsylvania R.R. Co.	\$5,000,000.00
" " " B. & O. R. R. Co.	---5,000,000.00

Cash by the Pennsylvania R. R. Co. 3,303,485.00

" " " B. & O. R. R. Co. 2,832,365.00

" " " Washington Branch 2,275,673.00

Total ----- \$18,411,523.00

Of the stock of the terminal company, the Baltimore and Ohio R. R. Co. holds 12,500 shares, par value \$100, or ----- \$1,250,000.00

We presume that the Pennsylvania R. R. Co. has an equal amount.

The Washington Branch has none.

(15) Under this arbitrary arrangement, the Washington Branch is required to furnish more than one fourth of all the cash for the construction of these terminals, yet it is to have no stock in the terminal company.

(16) As stated by President Murray the charges against the Washington Branch are as follows:

Cost of acquiring a site and the construction of a coal yard to be used jointly with the Baltimore and Ohio R. R. -- \$431,289.00

It is also charged with one half of the cost of a coach yard for the joint use of the Pennsylvania R. R. and the Baltimore and Ohio R. R., the estimated cost of one half being ---- \$1,844,384.00, making a total cash charge to the Washington Branch 2,275,673.00

(17) It is possible that the charge for the coal yard may be a proper one; but, as it is to be used jointly by the Metropolitan Branch of the Baltimore and Ohio and the Washington Branch it would seem that a part of its cost should be borne by the Metropolitan Branch. Be that as it may there cannot be the slightest justification for the charge of \$1,844,384.00 against the Washington Branch for one half of the cost of a coach yard to be used jointly by the B. & O. R. R. Co., and the Pennsylvania system, as the Washington Branch does not own a car or an engine, and all the equipment used upon the road is owned by the B. & O. Company. Its use is paid for out of the gross earnings of the Washington Branch, and the care of the coaches and engines is no concern whatever of the Washington Branch. Therefore, that system of expenditure should be resisted, if the Washington Branch is excluded from any interest in the terminal company.

(18) Even if it were incumbent upon the Washington Branch to construct and pay for a coach yard, it cannot be for a moment maintained that a road of less than thirty miles in length should

be charged an equal amount as the Pennsylvania system with its hundreds of miles of road and equipment.

(19) Eliminating that item, it would leave the extreme charge against the Washington Branch (for the cost of the coal yard) ---

----- \$431,289.00

FINANCIAL STATEMENT.

(20) On the theory that the Washington Branch is to be excluded from all participation in the new terminal facilities, which we insist ought to be resisted, it appears from the statements and reports of the B. & O. Co. that the total amount of surplus revenue credited to the Washington Branch, from the date of the suspension of dividends to January 1st, 1905 was ----- \$2,520,480.54

If the entire cost of the coal yard to be constructed in Washington is charged against the Washington Branch 431,289.00
it would leave a balance to its credit of ----- 2,089,191.54
all of which could be and should be distributed to the stockholders and the state's share would be about ----- \$696,397.00

(21) In addition the Act of Congress requiring the construction of the new terminal facilities, provided, that, in consideration of the surrender of property and rights by the Washington Branch, etc., etc., upon the completion of the terminal improvements, Congress should pay to the Railroad Company \$1,500,000.

The whole of this amount, when paid, should be credited to the Washington Branch, as the property and rights surrendered belonged to it.

(22) President Murray has estimated the value of the real estate of the Washington Branch in the City of Washington, (which can be disposed of as soon as the depot is completed) at \$800,000. which would make the total asset on these two accounts \$2,300,000, to which may be properly added the interest due from the Baltimore & Ohio R. R. Co. on the money of the Washington Branch, held and used by the said Baltimore & Ohio R. R. Co. from 1897 to date about ----- \$200,000 and the net revenue from the Branch road from January 1st, 1905 which will exceed 350,000

(23) In view of the foregoing, we have the honor to recommend;

First. That your honorable body shall cause such proceedings to be instituted as will secure for the Washington Branch a proper interest in the terminal company.

Second. That in the event the Washington Branch is denied participation in the terminal company, then to take such action as may be necessary to prevent the Washington Branch from being charged with one half of the cost for the construction of coach yards, amounting to ----- \$1,844,384.00.

Third. To demand that the \$1,500,000 appropriated by the Act of Congress to the Baltimore and Ohio Railroad Company for the abandonment of its present site and in consideration of the property deeded to the United States and the other rights surrendered, shall be credited to the Washington Branch.

In conclusion, we beg to add that the surplus revenue of the Branch road, during the past fiscal year exceeded ---- \$400,000 and we have no doubt, even if the Branch road is excluded from becoming part owner of the new terminal facilities in Washington, yet its corporate rights in the District are such that it will share the increased trade which will flow from its connection with all the roads leading from Washington, south, on fair terms, as the Act of Congress authorizing the formation of the terminal company provides that, in the event of failure to agree upon charges for depot facilities, then the question shall be determined by the Courts.

Respectfully submitted,

A. P. Gorman,

L. Victor Baughman.

Directors B. & C.

Exhibit A.

Washington, D. C., April 20, 1905.

Mr. Oscar G. Murray,

President, Baltimore and Ohio Railroad Company,

Baltimore, Maryland.

My dear Sir:

I beg to call your attention to the fact that, in December 1903 the Board of Directors of the Baltimore and Ohio Railroad Company appointed a Committee to consider the question of the payment of a dividend by the Washington Branch, which Committee consisted of

the President, Mr. Steele and myself.

While the resolution, as I recollect it did not in terms direct a full report to be made of all the matters relating to the possible indebtedness of the Washington Branch, growing out of the new terminal facilities in this City, yet, that was the object sought, and I think unquestionable intended to be covered by the resolution of the Board.

After your election as President, I did not press the matter, knowing your time was fully occupied with other important matters and believing it probably best to wait until the improvements in Washington were so far advanced that it would be possible to determine all the costs of said improvements.

Now, I have to request that you will, at as early a date as possible, call a meeting of the Committee, with the view of considering and determining all the matters involved. As you know, the interest of the State of Maryland in the Washington Branch is very large. For some time past, the B. & O. has declined to declare any dividend on the stock, notwithstanding there has been a large net revenue accruing each year. The reason assigned for withholding such dividend has been the large expenditures necessary on account of terminal facilities in Washington.

Prior to the assembling of the Committee, and as soon as possible, I would thank you to give me the following information:

(1) Amount to the credit of the Washington Branch January 1st, 1905.

(2) The total amount paid prior to January 1st, 1905 on account of terminals in Washington, out of said net revenue.

(3) The total estimated cost of terminals.

(4) The total estimated cost to be assumed by the Baltimore and Ohio Railroad Company, including the portion to be borne by the Washington Branch.

(5) The Total estimated amount to be charged to the Washington Branch.

(6) The interest, by stock or otherwise, to be assigned to the Washington Branch in the terminal Company organized in pursuance of the Act of Congress providing for a union station in Washington.

(7) Statement of the property owned by the Washington Branch

not included within the new depot site and not to be surrendered to the City of Washington.

Your early attention to this matter will be appreciated, and I feel quite confident you share with me an earnest desire to have a fair adjustment of all the questions relating to the Washington Branch, in which the State of Maryland and the Baltimore and Ohio are the principal owners.

Very truly yours,

(Signed) A. P. Gorman.

Director Baltimore & Ohio Railroad
Company on part of the State of
Maryland.

Exhibit "B".

April 24, 1905.

(Oscar G. Murray, President)

Hon. A. P. Gorman,
Washington, D. C.

Dear Sir:

This acknowledges receipt of your favor of April 20th. The matter to which it refers will have prompt consideration, and later communication in relation thereto forwarded you.

Yours very truly,

Oscar G. Murray.

Washington, D. C., October 2, 1905.

Mr. Oscar G. Murray,
President, Baltimore & Ohio R. R. Co.,
Baltimore, Md.

My dear Sir:

Under date of April 20th, last, as a director in the Baltimore and Ohio Railroad Company on behalf of the State of Maryland. I addressed you a communication requesting certain information relative to the Washington Branch of said road. On April 24th, you acknowledged receipt of my communication and stated that the matter to which it referred should have prompt consideration, and that a later communication in relation thereto would be forwarded to me.

I have waited patiently until now for the promised communication, but have not honored me with further reply. I assume that the matter has been referred by you to some subordinate, and that he has neglect-

ed to furnish the information asked for. This assumption on my part is because I cannot believe that you would intentionally treat me with lack of consideration, or purposely delay giving information which, I think, is of importance to the interests I represent.

Your prompt attention will oblige,

Very truly yours,

(signed) A. P. Gorman.

Director Baltimore & Ohio Railroad Company
on part of the State of Maryland.

Exhibit "C".

October 17, 1905.

Hon. A. P. Gorman,
Washington, D. C.

Dear Sir:

I have your favor of the 2nd, instant.

You are right in your assumption that the information asked for had to be obtained from the Accounting and Engineering Departments, and that the delay in answering the specific inquiries contained in your letter of April 20th, was due to the difficulty which those departments have found in furnishing any figures that would be at all accurate in the present stage of the work. I assure you that there was no intention to treat you with any lack of consideration or purposely delay giving you any information.

The work at Washington has so far progressed that we are now able to give you approximate figures, but even these figures are based on estimates more or less close, and are, therefore, only approximate. Using such approximate figures, answer your several inquiries as follows:

(1) Amount to credit of Washington Branch, January 1, 1905.

Answer: \$983,816.47.

(2) The total amount paid, prior to January 1, 1905, on account of terminals at Washington, out of net revenue.

Answer: \$1,536,564.07.

(3) Total estimated cost of terminals.

Answer: Terminal Company's station -----	\$12,918,203
Coach Yard, etc. -----	3,688,769
Coal Yard (Square 711) -----	431,289
Freight Yard, etc., -----	1,373,262
Total, -----	18,411,523

(4). Total estimated cost to be assumed by the Baltimore and Ohio Railroad Company, including portion to be borne by Washington Branch.

Answer: The following table shows the divisions of estimated cost of the several parts of the work included in the above total.

	P. R. R.	B. & O.	Wash. Br.	Total
Washington Terminal Co., cash,	\$1,459,101	\$1,459,101		
Guarantee of bonds	<u>5,000,000</u>	<u>5,000,000</u>		
Total,	6,459,101.	6,459,101		\$12,918,202
Coach Yard,	1,844,384		1,844,384	3,688,768
Coal Yard,			431,289	431,289
Freight Yard,		<u>1,373,262</u>		<u>1,373,262</u>
Total,	8,303,485	7,832,363	2,275,673	18,411,521

(5) The total estimated amount to be charged to the Washington Branch.

Answer: \$2,275,673.

(6) The interest, by stock or otherwise, to be assigned to the Washington Branch in the terminal company organized in pursuance of the Act of Congress providing for a union station in Washington.

(6) Answer: No interest in stocks or bonds. The traffic of the Washington Branch will be accommodated on the same terms accorded the traffic of other companies using the station.

(7) Statement of the property owned by the Washington Branch not included within the depot site, and not to be surrendered to the City of Washington.

Answer: The enclosed statement shows a list of such properties, original cost and estimate of the value under the conditions noted. You will notice that the most valuable properties are in Square 632 and Square 681, but the valuation in each case assumes that property is filled to new street levels established by the District. It is impracticable at this time to state the cost of this filling.

The division of cost of the several works specified in answer to the fourth question is made in accordance with resolutions of the Board of Directors passed several years ago, before my election as President. This division corresponds as nearly as possible with the main division of traffic between the Washington Branch

and the Metropolitan Branch, and seems to me to be fair and certainly not unduly disadvantageous to the Washington Branch.

Yours very truly,

Oscar G. Murray.

Statement of cost and present value Washington Branch property, Washington, D. C.

Square 807

Pt. Lot 1 M. Bernhardt to B. & O. R. R. Co., May 9, 1868	\$100
Lots 7 and 8 and pt. W. B. Todd to B. & O. R. R. Co., April 3rd, 1868	3000
Cost -----	3100
Present value -----	\$9,666.

Square 632.

Entire square, being original lots 1 to 11 inclusive, Wm. Noland to B. & O. R. R. Co., Sept. 5, 1835, W. B. 53 p. 472

Cost -----	7,626.35
Present value -----	421,038.45

Note

To secure this valuation it will be necessary to fill entire square 25 to 30 feet.

Square 681.

Lots 4-13-14-15 N. Acker to B. & O. R. R. Co., Sept. 12th, 1878, Vol. 728 page 463

Cost -----	34,248.00
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Lot 16 Richard Smith to B. & O. R. R. Co., Jan-29th, 1875, Vol. 771 page 357

Cost -----	1.00
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Part Lot 8 Wm. Cox to B. & O. R. R. Co. Sept. 20, 1873 Vol. 723 page 473

Cost -----	1,900.00
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Part Lot 6 P. Downey to B. & O. R. R. Co. Sept. 20, 1873, Vol. 728 page 469

Cost -----	960.00
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Lots 3 and 12 Wm. Gunton to B. & O. R. R. Co. Sept. 9th, 1873, Vol. 728 page 474

Cost ----- 11,752.05

Part Lot 8 E. King to B. & O. R. R. Co.

Sept. 20, 1873 Vol. 728 page 464

Cost ----- 2,300.00

Part Lot 7, J. Lynch to B. & O. R. R. Co.

Sept. 20, 1873, Vol 728 page 467

Cost ----- 1,170.00

Lots 1 and 2, Metropolitan Paving Co. to

B. & O. R. R. Co., Sept. 12th, 1873,

Vol. 731 page 207,

Cost ----- 20,865.50

Square 681 (continued)

Pts. 6-7-8 W. H. Rice to B. & O. R. R. Co.

Sept. 18, 1873

Vol. 735 page 46

Cost ----- 7,586.00

Lots 9-10 and 11 to B. & O. R. R. Co.,

Sept. 12th, 1873, Vol. 728 page 470

Cost ----- 18,000.00

Part Lot 7, J. Connor to B. & O. R. R. Co.,

Sept. 20th, 1873, Vol. 728 page 466

Cost ----- 2,600.00

Lot 5, N. Acker to B. & O. R. R. Co.,

Feb. 15, 1870, Vol page

Cost ----- 2,875.00

Cost entire square 681, 104,257.55

Value after filling completed

371,622.10

Note.

Part of this will be sold to the District of Columbia on above estimated basis of value.

Such figure involves however, filling of the lot approximately 45 to 55 feet.

Right of way from 5th. and I Streets to Florida Avenue.

Georgetown College to B. & O. R. R. Co.,

June 11, 1841;

Cost ----- 250.00

Present value ----- 63,360.00

Note.

Investigation being conducted as to whether fee title

or easement is held. If latter only, property will revert and of no value to Washington Branch.

Trinidad Property.

Lots 3-4-5-6-7 Block 10 - Lots 3-4-5 Block 11

Lots 2 and 3 Block 14, J. J. Malone to Real Estate and Improvement Company, April 3, 1890

Vol. 1508, page 388

Cost ----- 23,429.50

Present value ----- 46,589.20
(234,296' at 20¢)

Shops, etc. 13,250.00

Old rail ----- 8,500.00

Total

68,609.20
870,936.35

EXHIBIT "D".

Washington, D. C., October 30th, 1905.

To the President and Directors

Baltimore & Ohio Railroad Company.

Gentlemen:

I respectfully call your attention and ask your early action in relation to the matter of the Washington Branch of your road of which the State of Maryland holds \$550,000 of the capital stock.

The road has, for a great many years past, earned sufficient net revenue to pay a 10 per cent dividend, Notwithstanding this fact no dividend has been declared for many years, the result of which led the State to bring suit, which is now pending.

For the purpose of adjusting the matter on some proper basis at a meeting of the Board in December 1903, on my motion, the matter was referred to a special committee consisting of the President, Mr. Steele and myself. Owing to various causes no report has been made.

On April 20th, of this year, I addressed a communication to President Murray, requesting that prompt action might be taken in the matter of dividends, as well as to adjust all the questions relating to the interest of that Branch of the road. I was favored with a reply to that communication from the President of the Company, dated October 17th, in which I am informed;

First, that the total estimated amount to be charged to that branch of the road, for the terminal facilities in Washington, District of Columbia, is approximately \$2,275,673.00 of that amount there has already been paid 1,536,564.07 leaving an estimated value to be expended 739,108.93

There was in the treasury to the credit of the company as of January 1st, 1905 ----- 983,816.47

Showing a surplus after paying all estimated charges \$244,707.54

To which must be added the net earnings from January to the present time, which would amount to more than sufficient to pay a dividend of 20 % on the capital stock. I therefore request that the dividend be so declared.

There are however, other and more important questions involved in this matter:

First, the Washington Branch, by an Act of Congress, was admitted to the District in 1828, and all the rights, property and depot facilities now existing belong to that Company.

In 1901, by an Act approved February 12th, provision was made for new terminal facilities, or a union depot to accommodate the Pennsylvania and Baltimore and Ohio and other roads. By the same act a terminal company was authorized to hold said terminal properties.

President Murray informs me that the whole estimated cost of such terminal station is to be ----- 18,411,523.00

That the stock of said company is to be divided between the Pennsylvania Railroad Company and the Baltimore and Ohio Railroad Company, and that the Washington Branch, by a resolution of the Board of Directors of this Company passed prior to President Murray's election, was to be excluded from any participation in that new organization; notwithstanding the branch is to be charged with \$2,275,673. I submit that this is manifestly unjust, if not illegal and should at once be corrected.

President Murray's statement, that the Branch will be accommodated on the same terms accorded traffic of other companies using the station is, I take it, without parallel in the adjustment of matters of this character. That is to say, here is a road, of which the State of Maryland owns more than one third, entering Washington, by prior right, which was the owner of all the

terminal facilities used by the Baltimore and Ohio Railroad Company, is to be at once excluded and made tenant at will of the Baltimore and Ohio Railroad Company.

There is another phase of this matter, to which I beg to call the special attention of this Board. By the Act of Congress of 1901 before referred to, the eighth section of the Act provides that in view of the immense expenditure which would be necessary in changing the ways and in the construction of the new road, the Washington Branch would be required to abandon certain streets and avenues and to surrender a part of its property to the District of Columbia, in consideration of which Congress appropriated and agreed to pay, and will pay, \$1,500,000 which, as a matter of course, if justice is meted out, must be credited to the Washington Branch. It is true that the attorneys of the Baltimore and Ohio Railroad Company so drew the Act, that the appropriation is made payable to the Baltimore and Ohio Company; but I submit that neither in fairness nor in equity can any part of said amount be diverted from the Washington Branch of the road.

Therefore, I urge that action be taken at once.

First, to declare a dividend; and

Second, to assign to the Washington Branch its proper interest in the terminal Company. I request that the Board will consider and adjust this matter prior to January 1st, 1906.

I have submitted this to the Board instead of through the President, because in his communication to me of the 17th, of October he states his action conforms to and is governed by a resolution passed by the Board several years ago and before his election. And then, he expresses the opinion that the division so made seems to him to be fair and not duly disadvantageous to the Washington Branch. In which, of course, we cannot concur, but respectfully request that simple justice be accorded to the interest which we represent.

Respectfully submitted,

(signed) A. P. Gorman.

Director on the part of the State of Maryland.

The Comptroller moved that the letter and exhibits be spread in full on the minutes of this Board, and that the thanks of the Board be extended to Senator ~~and~~ Gorman and General Baughman for

giving to the Board such valuable information in such an exhaustible way, and the Governor be instructed to take up at once the legal points involved in this letter with the Attorney General, and to report at the next meeting of this Board his opinion. Second-
ed by Treasurer Vandiver and unanimously carried.

The Governor spoke of the long delay in the election of an insurance commissioner, and stated that he must again urge that that official be chosen at once. He said that the work of the office was at a standstill, and that important business interests were suffering by reason of the failure of the Board to agree upon a man for the place, and he thought that the Commissioner should be elected at once in order to enable him to thoroughly familiarize himself with the duties of the position before the end of the year, when the great press of business begins. The Comptroller thereupon moved that the Board proceed to the election of an Insurance Commissioner, which was seconded by the Governor and carried.

The Governor called for nominations, whereupon, Dr. Atkinson nominated Mr. B. Frank Crouse of Carroll County, Mr. Vandiver declined to make any nomination, and the Governor nominated Mr. Joseph M. Streett of Harford County.

Upon motion of Dr. Atkinson, seconded by the Governor, the Board proceeded to ballot. The roll was called, and Comptroller Atkinson voted for Mr. Crouse, Treasurer Vandiver voted for Mr. Crouse, and the Governor voted for Mr. Streett. It appearing that Mr. Crouse had been elected, the Governor thereupon moved to make his election unanimous, which was done and Mr. Crouse was declared elected Insurance Commissioner of Maryland.

The Board then sent for Mr. Crouse, and notified him that he had been unanimously elected Insurance Commissioner of the State of Maryland. He expressed his thanks for the appointment and stated that he would make every effort to measure up to the duties of the office.

The Board at 1.45 p. m., adjourned.

Conrad Tilghman
Secretary.